



CHURCHILL DOWNS

INCORPORATED

Investor Presentation

March 2022

Forward-Looking Statements

Certain statements made in this presentation contain various “forward-looking statements” within the meaning of the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are typically identified by the use of terms such as “anticipate,” “believe,” “could,” “estimate,” “expect,” “intend,” “may,” “might,” “plan,” “predict,” “project,” “seek,” “should,” “will,” and similar words or similar expressions (or negative versions of such words or expressions).

Although we believe that the expectations reflected in such forward-looking statements are reasonable, we can give no assurance that such expectations will prove to be correct. Important factors, among others, that may materially affect actual results or outcomes include the following:

- the receipt of regulatory approvals on terms desired or anticipated, unanticipated difficulties or expenditures relating to the proposed transaction, including, without limitation, difficulties that result in the failure to realize expected synergies, efficiencies and cost savings from the proposed transaction within the expected time period (if at all), our ability to obtain financing on the anticipated terms and schedule, disruptions of our or P2E’s current plans, operations and relationships with customers and suppliers caused by the announcement and pendency of the proposed transaction, our and P2E’s ability to consummate a sale-leaseback transaction with respect to the Hard Rock Sioux City on terms desired or anticipated;
- the impact of the novel coronavirus (COVID-19) pandemic, including the emergence of variant strains, and related economic matters on our results of operations, financial conditions and prospects;
- the occurrence of extraordinary events, such as terrorist attacks, public health threats, civil unrest, and inclement weather;
- the effect of economic conditions on our consumers’ confidence and discretionary spending or our access to credit;
- additional or increased taxes and fees;
- the impact of significant competition, and the expectation the competition levels will increase;
- changes in consumer preferences, attendance, wagering, and sponsorships;
- loss of key or highly skilled personnel;
- lack of confidence in the integrity of our core businesses or any deterioration in our reputation;
- risks associated with equity investments, strategic alliances and other third-party agreements;
- inability to respond to rapid technological changes in a timely manner;
- concentration and evolution of slot machine and HRM manufacturing and other technology conditions that could impose additional costs;
- inability to negotiate agreements with industry constituents, including horsemen and other racetracks;
- inability to successfully expand our TwinSpires Sports and Casino business and effectively compete;
- difficulty in integrating recent or future acquisitions into our operations;
- inability to identify and / or complete acquisitions, divestitures, development of new venues or the expansion of existing facilities on time, on budget, or as planned;
- general risks related to real estate ownership and significant expenditures, including fluctuations in market values and environmental regulations;
- reliance on our technology services and catastrophic events and system failures disrupting our operations;
- online security risk, including cyber-security breaches, or loss or misuse of our stored information as a result of a breach, including customers’ personal information, could lead to government enforcement actions or other litigation;
- personal injury litigation related to injuries occurring at our racetracks;
- compliance with the Foreign Corrupt Practices Act or applicable money-laundering regulations;
- payment-related risks, such as risk associated with fraudulent credit card and debit card use;
- work stoppages and labor issues;
- risks related to pending or future legal proceedings and other actions;
- highly regulated operations and changes in the regulatory environment could adversely affect our business;
- restrictions in our debt facilities limiting our flexibility to operate our business;
- failure to comply with the financial ratios and other covenants in our debt facilities and other indebtedness;
- and increase in our insurance costs, or obtain similar insurance coverage in the future, and inability to recover under our insurance policies for damages sustained at our properties in the event of inclement weather and casualty events.

We do not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

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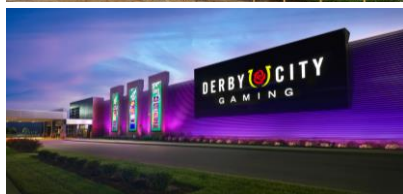
Business Overview and Case for Investing

Churchill Downs Incorporated (“CDI”)

We have a unique collection of entertainment assets that generate significant Adjusted EBITDA and Free Cash Flow



Churchill Downs Racetrack (“CDRT”) hosts the longest continuously held annual sporting event in the U.S., the **Kentucky Derby**



Historical Racing Machines ... three pari-mutuel gaming entertainment venues with ~3,050 historical racing machines (“HRMs”) in Kentucky



TwinSpire ... one of the largest and most profitable U.S. online wagering platforms for horse racing



Casino Gaming ... ten casinos¹ with ~11,000 slot machines and video lottery terminals and 200 table games in eight states

Peninsula Pacific Entertainment (“P2E”) Acquisition

- Provides substantial scale and expands historical racing geographic diversification
- Immediately accretive to earnings per share and free cash flow

¹ Includes Miami Valley Gaming, 50% owned Ohio joint venture, and Midwest Gaming Holdings, LLC, 61% owned joint venture (Rivers Casino Des Plaines)

Case for Investing

The Kentucky Derby

- Iconic and irreplaceable asset
- Consistent high margin growth and significant free cash flow over the long-term
 - Organic growth from unique and evolving guest experiences and expanded offerings
 - Long-term sustainable growth from capital investments in marquee asset
- Growing international engagement through Japan and European Roads to the Derby

Diverse organic growth

- Expansion of HRM properties in Kentucky, Virginia, and other states
- Diverse portfolio of wholly-owned regional gaming properties and strategic equity investments
- One of the most profitable, industry-leading online wagering platforms for horse racing driven by access to best-in-class racing content and linkage to the Kentucky Derby

Significant capacity for growth

- Strong free cash flow generation with disciplined maintenance capital spending
- Ability to pursue strategic reinvestment in organic growth, M&A, dividends, and share repurchases to maximize shareholder returns
- Conservative balance sheet with financial flexibility and significant access to capital

Proven management team

- Proven record of disciplined capital allocation and earnings growth
- Successful track record of integrating new businesses
- Diverse backgrounds with multi-industry, technology, and international experience

Case for Investing – P2E Acquisition

Substantially increases scale and diversification

High quality assets

- Colonial Downs Racetrack in New Kent, Virginia
- Six successful and growing Rosie's Gaming Emporium historical horse racing facilities across Virginia with ~2,687 HRMs currently in operation
- Includes development rights for two additional properties currently under development and up to 5 licenses for ~2,313 additional HRMs
- del Lago Resort & Casino in Waterloo, New York
- Hard Rock Hotel and Casino Operations in Sioux City, Iowa

Expands historical racing entertainment venues

Attractive valuation multiple and deal economics

- ~10.2x for existing properties based on run-rate adjusted EBITDA
- < 9.0x including additional development projects
- Deal economics enhanced by reduction in cash paid taxes over next 15 years due to treatment of acquisition as an asset purchase for tax purposes
- Deal economics further enhanced by ~\$75 million of cash tax savings from the deferral of the gain on the pending Calder land sale

Immediately accretive to EPS and free cash flow





Peninsula Pacific Entertainment Acquisition

Transaction Overview

Transaction Overview

- On February 18, 2022, we announced our agreement to acquire substantially all of the assets of P2E for total consideration of \$2.485 billion

Financing

- CDI will fund the transaction with a combination of new debt and cash on hand including pending proceeds from the sale of land near Calder Casino
- Consolidated pro forma bank covenant leverage is projected to be less than 4.2x upon completion of transaction
- Plan to use certain proceeds from pending sale of land near Calder Casino to structure aspects of this acquisition as an Internal Revenue Code §1031 transaction

Timing

- Transaction dependent on usual and customary closing conditions, including CDI securing approval from regulatory bodies in New York, Iowa, and Virginia
- Expect to close by end of 2022

Virginia - Existing Properties to Be Acquired

CDI will acquire:

- Colonial Downs Racetrack in New Kent, Virginia
- Six successful and growing Rosie's Gaming Emporium historical horse racing facilities across Virginia
 - Currently have 2,687 HRMs across Virginia

Significantly expands the geographic diversity of CDI's live and historical racing entertainment venues

Reinforces CDI's role as a national leader in historical horse racing

Live and Historical Racing Segment	Property	State	HRMs ¹
	Colonial Downs Racetrack	VA	-
	Colonial Downs / Rosie's New Kent	VA	600
	Rosie's Vinton	VA	500
	Rosie's Richmond	VA	700
	Rosie's Hampton	VA	700
	Rosie's Dumfries	VA	150
	Rosie's Collinsville	VA	37

¹ Units as of 12/31/21



Virginia Development Rights

Dumfries Project

- CDI will acquire the rights to build a large gaming resort, the Dumfries Project, with up to 1,800 HRMs in Northern Virginia
 - Scheduled to open in 2023

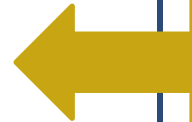
Rosie's Emporia

- CDI will also acquire the rights to develop Rosie's Gaming Emporium in Emporia with 150 HRMs
 - 7th historical racing entertainment venue under Colonial Downs license
 - Expected to open in 2023

Future Historical Racing Facilities

- Under Virginia law, CDI will have the opportunity to add remaining ~513 HRMs across up to 4 additional locations across Virginia

Existing HRMs:	2,687
Future HRMs:	
Dumfries Project	1,650 ¹
Rosie's Emporia	150
Additional Licenses	513
Total HRMs:	5,000



¹ Represents incremental machines to the existing Dumfries location that will be replaced by the Dumfries Project

New York and Iowa - Existing Properties to Be Acquired

del Lago Resort & Casino

- Waterloo, New York
- Gaming floor¹:
 - 1,700 slots
 - 80 table games
- 205-room hotel
- Nine restaurants / bar areas
- Sportsbook and indoor and outdoor entertainment venues



Hard Rock Hotel and Casino² Operations

- Sioux City, Iowa
- Gaming floor¹:
 - 639 slots
 - 20 table games
- 54-room hotel
- Two live entertainment venues
- Hard Rock-branded sportsbook



¹ Units as of 12/31/21

² The Sioux City property will be included in the transaction if P2E is unable to reach an agreement with a third party to purchase the property

Valuation

	Multiple	Investment (\$ billions)
Existing Properties		
<ul style="list-style-type: none"> ▪ Adjusted for: <ul style="list-style-type: none"> – Corporate Synergies – Run rate for Dumfries and Vinton locations 	10.2x	\$2.485
<hr/>		
Future Development		
<ul style="list-style-type: none"> ▪ Dumfries Project ▪ Rosie’s Emporia ▪ Additional 513 HRMs at up to 4 additional locations 		\$0.6 - \$0.8
<hr/>		
Total Valuation	< 9.0x	\$3.1 - \$3.3

Additional deal economic enhancements:

- **Reduction of cash paid taxes over next 15 years due to treatment of acquisition as an asset purchase for tax purposes**
 - Allows for step up in tax basis of assets to the purchase price and straight line amortization of resulting goodwill over 15 years for tax purposes
- **~\$75 million of cash tax savings from the deferral of the gain on the pending Calder land sale as a result of structuring portions of this transaction as an Internal Revenue Code §1031 transaction**
- **Acquisition is immediately accretive to free cash flow and earnings per share**





Planned Project Capital Investments

Summary of Planned Project Capital Investments

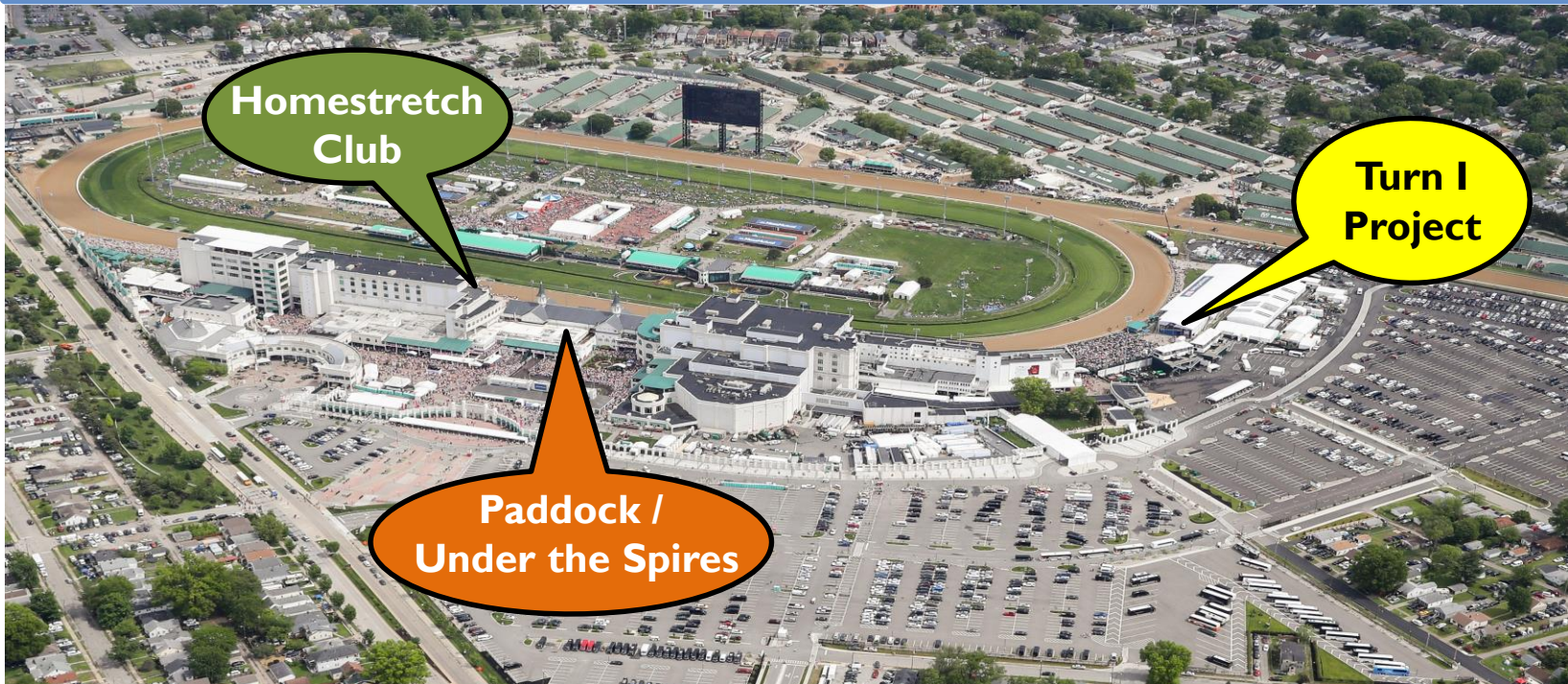
Project	Target Completion	\$ millions
The Kentucky Derby		
▪ Turf Course	Spring 2022	\$10
▪ Homestretch Club	May 2022	\$45
▪ Turn 1 Experience	May 2023	\$90
▪ Paddock / Under the Spires	May 2024	TBD
Historical Racing Machines		
▪ Louisiana HRMs in OTBs	2022	\$35
▪ Turfway Park HRM Facility ¹	September 2022	\$148
▪ Derby City Gaming Expansion and Hotel	Late 2022 / 2Q'23	\$76
▪ Derby City Gaming Downtown	2Q'23	\$80
▪ Oak Grove Annex	TBD	TBD
Gaming		
▪ Rivers Des Plaines Expansion ²	Spring 2022	\$90
▪ Miami Valley Outdoor Gaming Patio Expansion ²	3Q'22	\$12
▪ Queen of Terre Haute Casino Resort	Late 2023	Up to \$260

¹ Reflects only capital for planned HRM facility at Turfway Park

² Capital investments at Rivers Des Plaines and Miami Valley Gaming are funded through operating cash flow and debt facilities for joint venture and are not funded by CDI

Project Capital Investments at Churchill Downs Racetrack

Multi-year Announced Capital Investments



Potential Major Future Projects



- Infield seating
- Renovate additional reserved seating areas
- Hotel

Homestretch Club at Churchill Downs Racetrack

Homestretch Club planned to debut in May 2022 for 148th Kentucky Derby

- \$45 million renovation of the grandstand area along the homestretch
 - Below the jockey club suites and adjacent to the Winner’s Circle suites
 - Will include an 18,600 square-foot indoor hospitality space with grand staircase and 100 foot feature bar
- Converting 5,200 outdoor bleacher seats into 3,250 premium reserved seats with all-inclusive amenities:
 - 2,610 stadium club seats
 - 66 covered terraced dining tables for up to 440 guests
 - 30 Trackside Lounges for up to 200 guests offering a “courtside seat” experience
 - 5 private 60-person VIP Hospitality Lounges available as upgrades



Type of Seating	Seats
Stadium	2,610
Terraced Dining	440
Trackside Lounges	200
Total Seats	3,250
Net Change	(1,950)



Turn I Experience at Churchill Downs Racetrack

New Turn I experience planned for May 2023 for the 149th Kentucky Derby

- \$90 million project providing additional permanent stadium seating and new track-level hospitality club replacing current temporary Oaks and Derby seating at the first turn:
 - 5,100 covered stadium seats (+1,700 additional seats)
 - Up to 2,000 guests will enjoy a new 50,000 square-foot climate-controlled hospitality venue with reserved dining room tables, a trackside viewing terrace, and two new seating concourses to allow for better guest circulation and amenities (+2,000 additional seats)
 - New hospitality venue will provide opportunities for special events outside of the race meets
- Construction is underway and will accelerate after Derby Week 2022 for completion by May 2023



Type of Seating	Seats	Net Change
Covered Stadium	5,100	+1,700
Indoor	2,000	+2,000
Total Seats	7,100	+3,700

Paddock and Under the Spires at Churchill Downs Racetrack

Developing newly designed Paddock and Under the Spires area to enhance the experience for nearly every guest for the May 2024 running of the 150th Kentucky Derby

- Vision for redesign will improve the flow of guests throughout the Paddock
 - Larger paddock walking ring for viewing the horses prior to the races
 - New Paddock Club in the area on the first floor under the Twin Spires that will provide views of the paddock and views of the tunnel that the horses walk through
 - New hospitality and other amenities for guests in certain areas of the 3rd floor clubhouse seats
 - New terraces including a new Turf Club balcony overlooking the Paddock



Derby City Gaming Expansion

Expanding gaming floor and constructing hotel

- \$76 million investment that will add 135,000 square feet of new space to the facility
- 41,000 square-foot gaming floor expansion expected to be completed by 4Q'22
 - Increases HRM capacity by 450 HRMs (will open with 200 additional machines)
 - VIP gaming space, new sports bar, and new stage
 - Upscale restaurant and bar
- Five-story, 123-room hotel expected to be completed by 2Q'23



Derby City Gaming Downtown

Announced plans to open a Derby City Gaming annex in Downtown Louisville

- \$80 million, 43,000 square-foot entertainment venue
- Annex of Churchill Downs Racetrack
- Located in the heart of Downtown Louisville, diagonal from the Kentucky International Convention Center
- Redesigning the interior and exterior of the building with Kentucky Derby theme
- Entertainment amenities include:
 - 500 HRMs initially
 - Fresh-air gaming area
 - 208 onsite parking spaces
 - Three unique bar concepts: a main-level sports bar with stage for live music and entertainment, a premium bourbon library, and an elegant wine and charcuterie lounge
- Construction underway with anticipated completion by 2Q'23



Turfway Park Renovation

Build out of new facility underway, with up to \$148 million¹ additional investment

- Located in Florence, Kentucky
- State-of-the-art live and historical Thoroughbred racing facility
- Plan to open with ~850² HRMs and ability to expand to 1,200 in the future
- Amenities include sports bar, VIP gaming area, high-end lounge, simulcast room, and clubhouse
- Expected completion September 2022



¹ Total investment of \$200 million, inclusive of \$46 million purchase price and \$6 million Tapeta track

² CDI has approval for 2,500 machines under the Turfway license, including the Newport Gaming annex

Rivers Casino Des Plaines Expansion

Rivers Casino Des Plaines phased opening

- \$90 million investment¹ in 78,000 square-foot expansion
- Expansion to add ~725 gaming positions
 - ~270 table game positions (+73%)
 - ~428 slot game positions (+48%)
- Three-phase plan ...
 - Phase 1 (January 2022): A new restaurant and an expanded gaming floor with 200 slot machines and 24 table games
 - Phase 2 (April 2022): 22-table poker room, a 300 slot machine gaming area, and new casino bar
 - Phase 3 (May 2022): 10,000 square-foot ballroom for private events and live entertainment
- ~30 additional positions to be added in the future



¹ Investment funded from Rivers Des Plaines operating cash flow and debt facilities for joint venture and are not funded by CDI

Queen of Terre Haute Casino Resort

CDI awarded the Vigo County casino license to develop the Queen of Terre Haute Casino Resort in January 2022

- Up to \$260 million investment
- 50-acre parcel of land off I-70 at the State Road 46 exit on the far-east side of Terre Haute
- Entertainment amenities include:
 - Up to 1,000 slot machines
 - 50 table games
 - High-limit gaming lounge
 - 125-room luxury hotel
 - State-of-the-art TwinSpires retail sportsbook
 - Several food and beverage offerings
- Expected completion in late 2023



Illinois and Florida Land Sales

Combined \$488 million in proceeds from pending land sales

Florida

- On November 22, 2021, we announced an agreement with Link Logistics to purchase 115.7 acres of our land near Calder Casino for \$291 million
- Anticipate closing the sale in 2Q'22 subject to the satisfaction of various closing conditions
- CDI plans to use certain proceeds of the sale to purchase or invest in replacement property that qualifies as an Internal Revenue Code §1031 transaction
- Following the closing of this transaction, CDI will retain ownership of ~55 acres of the current 170-acre parcel of land on which Calder Casino sits
 - CDI may sell or develop 17 acres of land along NW 27th Ave. in the Miami Gardens area in the future

Illinois

- On September 29, 2021, we announced an agreement with the Chicago Bears to purchase our 326-acre property in Arlington Heights, IL for \$197.2 million
- Anticipate closing the sale in the first half of 2023 subject to the satisfaction of various closing conditions
- CDI plans to use the proceeds of the sale to purchase or invest in replacement property that qualifies as an Internal Revenue Code §1031 transaction





Live and Historical Racing Segment

Overview

Live Racing

Historical Racing Facilities

Churchill Downs Racetrack

- Louisville, Kentucky
- Thoroughbred Racing
- Home of the Kentucky Derby

- Derby City Gaming (Louisville, KY)
- Building CDRT annex in Downtown Louisville (Derby City Gaming Downtown)

Turfway Park

- Northern Kentucky
- Thoroughbred Racing

- Newport Racing and Gaming (Newport, KY)
- Building new facility at Turfway Park with 850 machines initially

Oak Grove

- Southwestern Kentucky near Nashville, TN
- Standardbred Racing

- Oak Grove Racing, Gaming & Hotel (Oak Grove, KY)
- Potential future annex

Three racetracks in Kentucky with 3,050 HRMs currently and approval for up to 7,000 HRMs

The Kentucky Derby utilizes the mystique and magic of Churchill Downs to create unique experiences for our guests

Historic Americana



Sophisticated Luxury



Contagious Excitement



The Kentucky Derby - By The Numbers

- The economic impact made on the Louisville area over Derby Weekend ➡ \$356 million¹
- Mint Juleps served over Derby Weekend ➡ 120,000
- Traditionally the first leg of the Triple Crown ➡ only 13 Triple Crown winners since inception

¹ From the Destination International and Tourism Economics Event Impact Calculator (EII)

The Lead Up to the Kentucky Derby

Month Long Celebration Leading Up to Derby Week

Through various non-affiliated organizations, spring kicks off with a month of events celebrating the Kentucky Derby

Thunder Over Louisville

The largest annual fireworks display in North America



Kentucky Derby Festival Marathon

A Boston Marathon qualifying race which runs through CDRT



Great Balloon Race

A beloved family tradition, color fills the Louisville sky to signal that Derby is near



Kentucky Museum of Art & Craft Couture

Live show featuring global emerging and established artists and designers

The Fillies Derby Ball

The spin of a wheel determines who will preside as Queen among the festivities



Gallop Gala

Churchill Downs serves as the festive backdrop of this fundraising celebration for Downs Syndrome of Louisville



The Lead Up to the Kentucky Derby

Unique Derby Week Experiences

Experiences at the Track:

- Tours of the Paddock area
- Backstretch Tour at Dawn at Churchill Downs



Derby Week Nightlife:
Celebrities & guests attend charitable events featuring performances by top artists

3rd Party Experiences:

- Private Horse Farm Tours
- Bourbon Distillery Tours
- Mint Julep Sunset Social

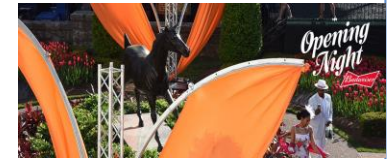


Derby Equity & Community Initiative:
Innovative collaboration with the Kentucky Derby Festival and Humana, Inc. to influence equitable Derby programming and build economic impact to all through the Kentucky Derby

Derby Week

Saturday: Opening Night

Celebrate local artists and performances during the first night of racing



Tuesday: Champions for Change
Celebrate champions in the Thoroughbred industry and support equitable opportunities in racing

Thursday: Thurby

Celebrate the best of Kentucky including culture, fare, and racing



Friday: Kentucky Oaks

America's premier race for 3-year old fillies that raises funding, awareness and equitable access for women's health resources

Saturday: Kentucky Derby

The most prestigious event in racing crowns a new Triple Crown hopeful each year

The Kentucky Derby Growth Strategy

A Premier International Sporting / Entertainment Event

Leverage unique experiences and make strategic capital investments

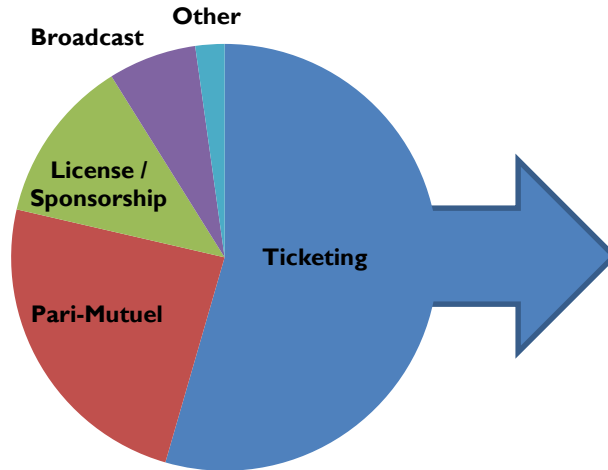
- Enhance guest experience to enable pricing differentiation for ~60,000 reserved seats
- Expand Derby Week offerings and attractions
- Execute capital investments to enable segmentation of ~110,000 guests who do not have a reserved seat

Attract additional sponsorships

Expand European Road to Derby and Japan Road to Derby

The Kentucky Derby – Typical Sources of Growth and Profitability

Derby Week Revenue



Premium seats (~60,000) are largest contributor to revenue

- Over a third of reserved seats are under non-cancellable contracts with staggered expirations of typically 3-7 years through personal seat licenses, suite contracts, and other agreements
- Remaining reserved seats are sold in advance of the event, typically early in the year
- Demand for premium tickets continues to exceed supply

Sponsorship Revenue

- Majority of sponsorship revenue dollars are typically contractually committed six months in advance of Derby Week
- Building relationships with new sponsors to further grow sponsorship revenue



Three unique Roads to the Derby for a horse to qualify in one of 20 coveted Derby starting positions

United States	Japan	European
<p>Horses compete for a Derby starting position through 37 races from September through April</p>	<p>Started in 2016 Horses compete for one Derby starting position through four Japanese races starting in November</p>	<p>Started in 2018 Horses compete for one Derby starting position through seven European races from September to April</p>
Growth Potential		
<p>New customers for the Derby Additional wagering Provides extended marketing opportunity for sponsors</p>		

Historical Racing Machine Overview

HRM background:

- A historical horse racing machine is a gaming device that uses the results of previously run horse races to approximate the gaming experience of Class II and Class III machines
- In Kentucky, nine racing licenses are available to be awarded by the Kentucky Horse Racing Commission (“KHRC”) (8 have been awarded) and are each allowed to have a main facility and one “annex” facility within a 60 mile radius of the licensed racetrack
- Future expansion opportunities in other states

Purse contributions from the HRM facilities support the horse racing industry in Kentucky

- A portion of HRM handle contributes to horse racing purse money in Kentucky
- Higher purses attract more and better-quality horses resulting in better-quality racing content which strengthens the foundation of the entire horse industry in Kentucky and benefits TwinSpires

Early stage growth model

- CDI’s HRM business is still in relatively early days, with recently opened properties like Oak Grove and Newport ramping up and new properties yet to open, like Turfway Park and Derby City Gaming Downtown
- Consumer education on HRMs is still developing, especially in our newest markets
- Opportunity remains for innovation in HRM products that can be offered to consumers
- CDI has the option to pursue an additional annex under the Oak Grove license in Kentucky and has the opportunity to expand into other states
- HRMs include top game titles / themes from Ainsworth Game Technology, Scientific Games, International Game Technology, Konami Gaming, and Aristocrat

Churchill Downs Racetrack and Derby City Gaming

	DERBY CITY GAMING	DERBY CITY GAMING Downtown	CHURCHILL DOWNS
Opened	Sep. 2018	Mid-2023¹	Future Organic Growth Opportunity
Total investment (\$ millions)	\$78²	\$80³	
Property size (sq. ft.)	~85,000	~43,000	
Proximity to major market	8 mi. to Downtown Louisville	In Downtown Louisville	
Win/Unit/Day⁴	\$448		
Actual HRMs⁵	1,225	500¹	
HRM capacity approval to date	3,000		

Derby City Gaming

- Operates at Churchill Downs Racetrack's ancillary training facility in Louisville, Kentucky
 - Décor pays homage to our deep history in horse racing
 - Center bar with large format televisions, two food venues, and outdoor gaming patio on the north side of the facility
 - \$13 million south side gaming patio opened with a net addition of 225 HRMs in September 2020
- Announced plans for \$76 million gaming floor expansion and hotel

Derby City Gaming Downtown (Annex)

- Announced plans to open \$80 million HRM facility in Downtown Louisville in mid-2023



¹ Plan to open Derby City Gaming Downtown in mid-2023 with 500 HRMs


² Reflects total approved project investment for completed projects

³ Reflects total approved project investment for approved project

⁴ For the month of December 2021 – 1,112 avg. HRMs operational

⁵ As of 12/31/21

Oak Grove Racing, Gaming & Hotel

		Annex
Opened	Sep. 2020	<i>Future Organic Growth Opportunity</i>
Total investment ¹ (\$ millions)	\$200	
Property size (sq. ft.)	~275,000	
Proximity to major market	~55 mi. to Nashville	
Win/Unit/Day ²	\$262	
Actual HRMs ³	1,325	
HRM capacity approval to date	1,500	

Located off of Hwy 24 on the KY / TN border

- ~55 miles from Nashville, Tennessee (pop. ~670,000)
- Across the street from Fort Campbell, the second largest military base in the U.S. (pop. ~200,000)
- ~11 miles from Clarksville, Tennessee (pop. ~150,000)

Facility includes:

- Harness racetrack opened Oct. 2019
- HRM facility opened Sept. 2020
- 128-room hotel with event center and dining areas opened Oct. 2020
- 3,000 person capacity amphitheater, RV park, and equestrian center opened late spring 2021




¹ Reflects total approved project investment for completed project

² For the month of December 2021 – 1,263 avg. HRMs operational

³ As of 12/31/21

Turfway Park Racing & Gaming and Newport Racing & Gaming

		
Opened	July 2022	Oct. 2020
Total investment (\$ millions)	Up to \$200¹	\$37²
Property size (sq. ft.)	~85,000	~17,000
Proximity to major market	~10 mi. to Cincinnati	~3 mi. to Cincinnati
Win/Unit/Day³		\$136
Actual HRMs⁴	850⁵	500
HRM capacity approval to date	2,500	

Turfway Park Racing & Gaming Renovation

- Resumed buildout of new HRM facility in 1Q'21
- Investment up to \$148 million
- Will support purse funding for Turfway Park race meets

Newport Racing & Gaming (Annex)

- Located in Newport, Kentucky
- Includes simulcast area and feature bar
- \$6 million expansion opened November 2021
- Supports purse funding for Turfway Park race meets



¹ Reflects total approved project investment for announced projects and inclusive of \$46 million purchase price

² Reflects total approved project investment for completed projects

³ For the month of December 2021 – 499 avg. HRMs operational

⁴ As of 12/31/21

⁵ Plan to open Turfway Park Racing & Gaming with 850 HRMs and the ability to expand to up to 1,200 HRMs





TwinSpires Segment

TwinSpires Horse Racing

TwinSpires Horse Racing business is a well-proven, profitable, and growing platform built on pari-mutuel wagering economics and has benefited from significant shift to online wagering

Strategic Advantages

Linkage to the Kentucky Derby

- Inexpensively acquire new customers each year with an affinity for horse racing
- Access to premier content because of ownership of the Kentucky Derby

Customer relationships

- Highly engaged and growing database
- Differentiate VIP relationships to build loyalty and retention
- Unique ability to create once in a lifetime experiences at the Kentucky Derby

Technology platform and analytics

- Own technology platform and have in-house development team
- Utilize analytics on customer behavior to drive efficient customer acquisition, retention, and activation

Management team

- Significant online wagering and technology experience

Key metrics			
\$ in millions	2019	2020	2021
TwinSpires Handle¹	\$1,456	\$1,977	\$1,962
V'19		+36%	+36%
Revenue	\$291	\$405	\$398
V'19		+39%	+37%
Adj. EBITDA	\$78	\$127	\$119
V'19		+63%	+52%
Margin	27%	31%	30%
V'19		+4pts	+3pts

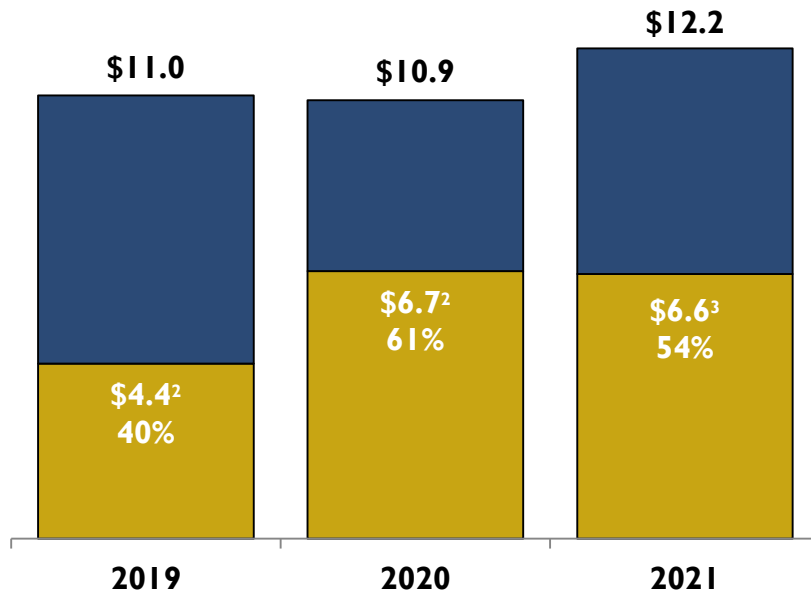
¹ TwinSpires handle excludes Velocity

Horse Racing Industry and TwinSpires Growth

Industry handle¹ grew significantly in 2021 and wagering has shifted online

\$ in millions

Other Horse Racing Wagering U.S. Online Wagering

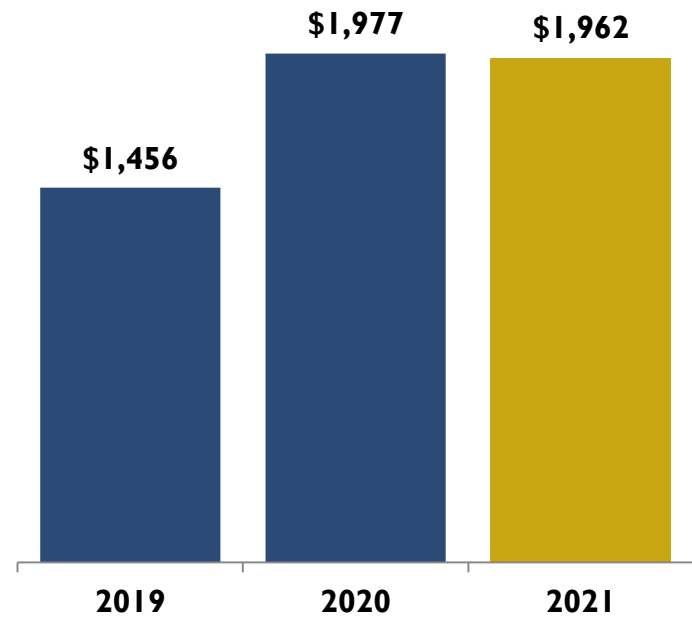


VPY: 2019: -2% 2020: -1% 2021: +12%

V'19: 2021: +11%

TwinSpires Horse Racing handle⁴ has grown significantly

\$ in millions



VPY: 2019: +4% 2020: +36% 2021: -1%

V'19: 2021: +36%

¹ Total wagering represents wagering on U.S. Thoroughbred Horse Racing as reported by Equibase

² All U.S. Online Wagering as reported by the Oregon Racing Commission, including Velocity

³ All U.S. Online Wagering as estimated by CDI, including Velocity

⁴ All TwinSpires Horse Racing handle except for Velocity

TwinSpires offers betting on ~165,000 races at 360 racetracks 365 days a year

Road to the Derby



Triple Crown

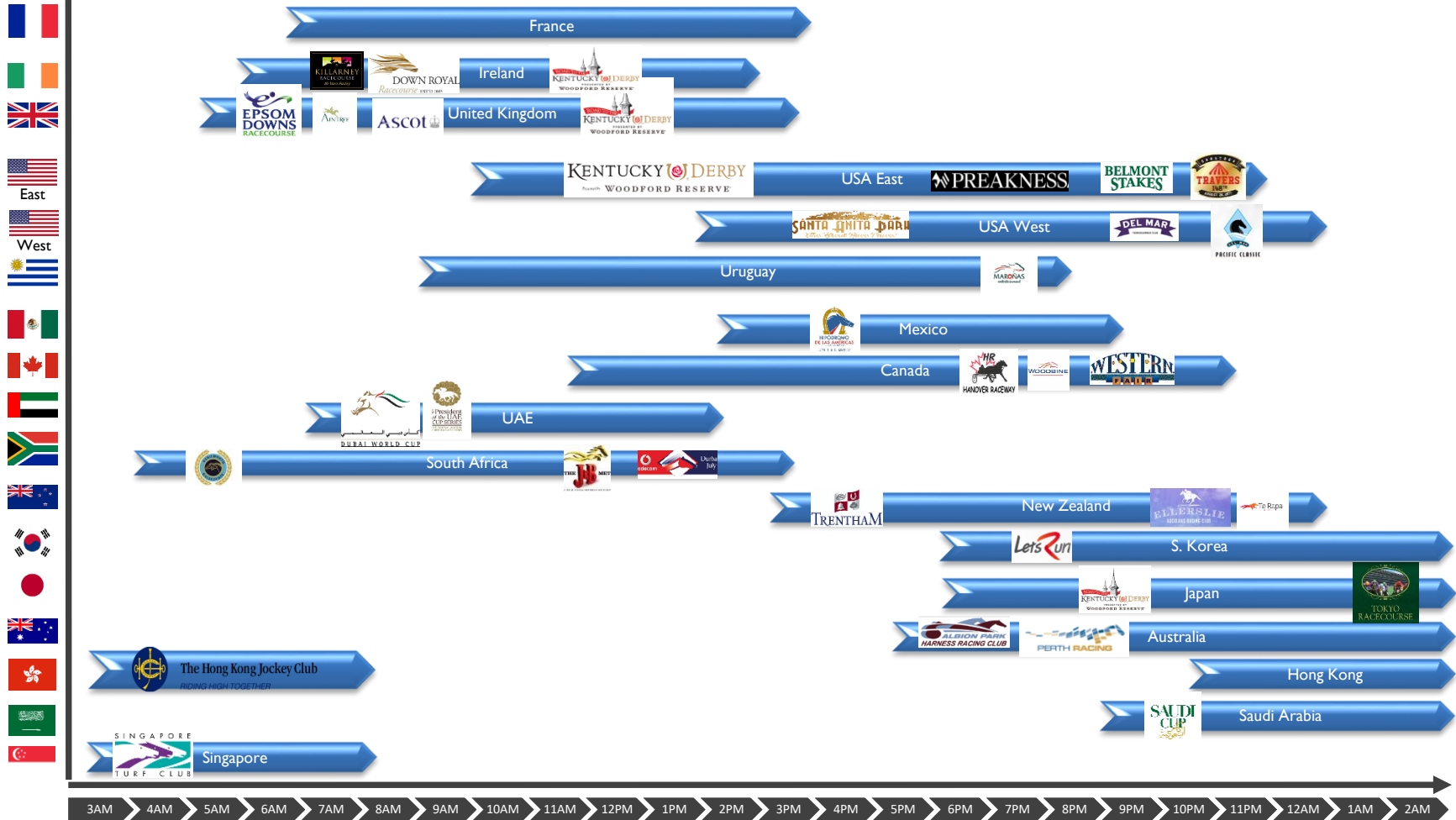


Breeder's Cup Challenge Series & World Championships



* Not all events are listed

TwinSpires typically offers wagering 24/7 from 16 countries



Sports and Casino

Maintaining retail sportsbooks, exiting B2C online sports betting and casino business, and monetizing market access rights where appropriate

CDI will maintain its retail sportsbooks

Jurisdiction	CDI Property or 3 rd Party Agreement
Mississippi	Harlow's and Riverwalk Casinos
Pennsylvania	Presque Isle Downs & Casino in Erie, PA
Indiana	Queen of Terre Haute ¹
Louisiana	Fair Grounds Slots/VSI and Race Course
Maryland	The Casino at Ocean Downs
Illinois	Rivers Des Plaines Joint Venture ²

We will exit online sports and casino in 2022 and sell market access rights

Jurisdiction	CDI Property or 3 rd Party Agreement
New Jersey	3 rd Party - Golden Nugget Atlantic City
Pennsylvania	Presque Isle Downs & Casino in Erie, PA
Indiana	3 rd Party - Rising Star Casino Resort (Sports Betting)
Michigan	3 rd Party - Hannahville Indian Community
Colorado	3 rd Party - Full House Resorts for Sports Betting
Tennessee	Open market access
Arizona	3 rd Party - Tonto Apache Tribe
Louisiana	Fair Grounds Slots/VSI and Race Course
Maryland	The Casino at Ocean Downs

Expect to have mid to high single digit aggregate loss in 2022, turning positive in 2023 and beyond

¹ Queen of Terre Haute is under development and will include a TwinSpires retail sportsbook

² Rivers Des Plaines operates sports betting under the brand BetRivers and is recorded in the Gaming segment





Gaming Segment

Regional Gaming Properties

Diverse portfolio of gaming properties

Strategic advantages

Local approach

- Unique Brands and marketing strategies
- Menus and offerings reflect local tastes
- Promotions catered to local customer base
- Loyal player base

Business intelligence analytics

- Utilize analytics on customer behavior to optimize customer trips and casino / food & beverage offerings

Leverage corporate gaming expertise

- Gaming floor layout and game mix optimized
- Centralized slot purchasing to leverage size
- Disciplined reporting and communication strategy
- Centralized marketing resource facilities shared best practices

Regional property gaming leaders

- Significant overall gaming experience
- Stable executive leadership maintains local market focus

Key metrics

\$ in millions

	2019	2020	2021
Revenue¹	\$687	\$438	\$698
Adjusted EBITDA²	\$278	\$173	\$412

- In 2020, our Gaming properties were affected by temporary closures and operating restrictions as a result of COVID-19

- All Gaming properties have been open since January 19, 2021

¹ Revenue does not include revenue from our equity investments

² Adjusted EBITDA includes our portion of EBITDA from our equity investments

Wholly-Owned Gaming Properties

Seven wholly-owned regional gaming properties and one management contract

Property	State	Acres	Slots ¹ & Video Poker / VLTs ¹	Tables ¹	Racetrack	Hotel
Calder Casino	FL	170 ²	1,100	-	-	-
Fair Grounds Slots and VSI ³	LA	145	1,600	-	✓	-
Oxford	ME	97	950	30	-	✓
The Casino at Ocean Downs	MD	167	900	18	✓	-
Harlow's Casino Resort & Spa	MS	85 ⁴	700	15	-	✓
Riverwalk Casino Hotel	MS	22	650	15	-	✓
Presque Isle Casino	PA	270	1,550	34	✓	-
Lady Luck Nemacolin ⁵	PA	-	600	27	-	-

¹ Units as of 12/31/21

² CDI has announced an agreement to sell 115.7 acres of Calder land with anticipated closing in the first half of 2022

³ Fair Grounds operates 15 OTB's across southeast Louisiana

⁴ Leased land

⁵ Management agreement to operate casino until July 2023

Casino Joint Ventures

Miami Valley Gaming (50% Equity Investment)

- Located on 120 acres in Lebanon, OH (North of Cincinnati, south of Dayton)
- ~1,950 video lottery terminals¹ and four dining facilities
- Joint venture (50/50) with Delaware North



Rivers Casino Des Plaines (61% Equity Investment)

- The premier casino in the Chicagoland market
- Located on 21 acres in Des Plaines, Illinois (~17 miles from Chicago)
- CDI invested \$407 million for 61% equity investment on March 5, 2019
- Joint venture with Rush Street Gaming, LLC
- 1,540 positions^{1,2} (1,133 slot machines and 97 table games)
- Seven food and beverage outlets plus a VIP lounge
- Retail and online BetRivers sportsbook
- First floor expansion with new restaurant and expanded gaming floor completed in 1Q'22 – Second phase of expansion expected in 2Q'22
- BetRivers Sports Betting:
 - Launched retail BetRivers Sportsbook in March 2020
 - First to launch online sports betting in Illinois in June 2020



¹ Units as of February 2022

² For purposes of statutory requirements, slot machines are counted as 0.9 positions and table games are determined based on type of game (Craps tables have 10 positions, all others have 5 positions).





Capital Management

Capital management philosophy based on creating long-term shareholder value

Maintain broad and expedient access to the capital markets

- Ideal target is 3.0x-4.0x net leverage - willing to go higher for a strategic investment

Engage in open and active dialogue with rating agencies and institutional investors

Investments focused on creating long-term shareholder value

- Invest in organic investments to expand offerings in high growth areas with returns above cost of capital
- Pursue strategic acquisitions
- Dividends are considered annually by the Board of Directors based on the health of the Company
- Opportunistic share repurchases dependent upon free cash flow generation, leverage levels and other investment opportunities to grow the business

Capital Projects

Projected Capital Investments

Capital	2021 Actuals	2022 Forecast	
Maintenance	\$40 million	\$65 - 75 million	
Project	\$52 million	\$300 - 350 million	
	<ul style="list-style-type: none"> ▪ Oak Grove ▪ Newport ▪ Churchill Downs ▪ Turfway Park 	<ul style="list-style-type: none"> ▪ Turfway Park ▪ Churchill Downs ▪ Derby City Gaming 	<ul style="list-style-type: none"> ▪ Queen of Terre Haute ▪ DCG Downtown ▪ Louisiana HRMs

Capacity for Future Investments

- 2.7x TTM Net Leverage as of December 31, 2021
- Significant balance sheet flexibility
- \$700 million undrawn credit facility¹
- Demonstrated ability to access debt markets with attractive rates / terms

¹ \$695 million available, net of \$5 million outstanding letters of credit

Our investments have provided strong returns creating long-term shareholder value

Property	Year	Investment (\$ millions)	Payback Period
Winner's Circle Suites and Courtyard	2015	\$4	< 5 years
Turf Club / Stakes Room	2016	\$18	< 5 years
Ocean Downs Slot Floor Purchase	2017	\$13	< 2 years
Miami Valley Expansion	2017	\$5	< 2 years
Oxford Hotel & Floor Expansion	2017	\$27	< 6 years
Ocean Downs Expansion	2017	\$18	< 3 years
Derby City Gaming	2018	\$65	< 2 years



We have demonstrated M&A is a core discipline of our team

Typical M&A Target Screen

Regional casino assets with future growth potential
Well positioned competitively – existing gaming and future gaming expansion
Accretive to free cash flow and earnings per share with returns above cost of capital

And, we have shown our ability to be a disciplined seller of assets

Land Sales

Sold 61 acres of excess Calder land for \$26.5 million or \$434k per acre¹ in 2016
Announced agreement to sell 115.7 acres of excess Calder land for \$291 million or \$2.5 million per acre¹ in 2021
Announced agreement to sell 326-acre Arlington property for \$197.2 million in 2021

Big Fish Games

Purchased for \$835 million² Dec. 2014
Sold for \$990 million² in Jan. 2018
> 50% levered IRR

Saratoga – New York and Colorado

Swapped 25% equity ownership in Saratoga – New York and Colorado for remaining 50% equity ownership in Ocean Downs Casino in Aug. 2018
Retained rights to online sports betting and iGaming if regulation allows in the future

¹ Excluding real estate commissions paid

² Gross, prior to settlement of working capital adjustments and transaction costs

CDI has returned \$1.4 billion of capital to shareholders over the last 7 years

Dividends

- **2022 was the 11th consecutive increase in the dividend per share**
- **\$152 million paid to shareholders in dividends over the last 7 years**

Share Repurchases

- **Returned \$1.3 billion to shareholders through share repurchases over the last 7 years**
 - Repurchased ~15.5 million shares at an average price of ~\$84 per share¹
- **\$500 million share repurchase program authorized on September 29, 2021**
 - Replaced \$300 million program authorized in October 2018
 - \$104 million total repurchased in 2021 under the 2021 and 2018 Stock Repurchase Plans
 - \$446 million of capacity remaining under the 2021 Stock Repurchase Plan at December 31, 2021

Reflects our long-term commitment to effectively return capital to shareholders unless there are more attractive growth opportunities

¹ Through December 31, 2021





Environmental, Social, and Governance

CDI Approach to Environment, Social and Governance

Environment, Social and Governance (“ESG”) Committee established to lead ESG initiatives

- Cross-functional team led by CFO
- CDI leadership team and CDI’s Board of Directors including CDI’s Nominating & Governance Committee providing oversight
- Leads CDI’s efforts and commitment to environment, health and safety, sustainability, corporate social responsibility, corporate governance and other public policy matters relevant to CDI

Environment

- CDI is committed to environmental responsibility in the communities in which we operate
- Initiatives at CDI properties to lessen energy and water usage and to decrease carbon emissions are ongoing

Social

- CDI is increasing investment in our team members and the communities in which we operate
- Team members are encouraged to pursue growth externally and assist in funding of continuing education, various leadership programs, and the pursuit of professional licenses and designations
- Ensure all client-facing employees are trained in responsible gaming annually

Governance

- We strive to attract a diverse Board with diversity of financial, industry, and risk experience along with diversity of gender and race
- Each member of the Board brings unique skills and experiences to the team and plays a vital role in the direction of CDI

Social - Community Involvement

Monetary Contributions

- CDI contributes over \$2.2 million annually via grants and in-kind donations to over 750 organizations
- Donated \$200,000 on Giving Tuesday in 2021 across 28 nonprofits, focused on reducing inequalities and bettering the neighborhoods in which we operate

Derby Day

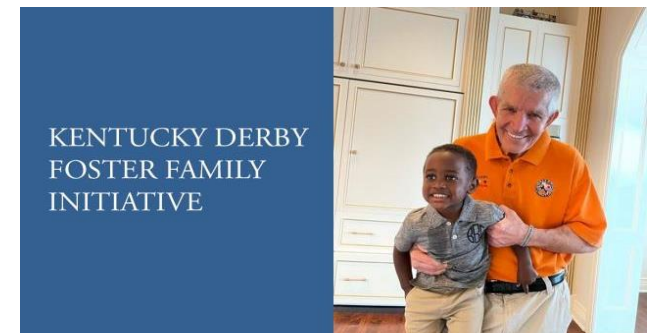
- CDI hosted nearly 300 representatives from Kentucky's Foster Care sector as guests in the first ever Kentucky Derby Foster Family
- Hosted a naturalization ceremony in the Winner's Circle as five individuals from five different countries took the Oath of Allegiance

CDI Employee Giving

- Our team members demonstrate their commitment to our communities throughout the year through toy and food drives, preparation of meals for those in need, and assisting nonprofits

Survivors Parade

- CDI helps to raise awareness for women's breast and ovarian cancer as attendees dress in pink and over 100 breast and ovarian cancer survivors march in the Survivors Parade on the Kentucky Oaks day
 - We continued the tradition in 2021 with a virtual Survivors Parade including a moving video montage and honorary lap around the track by the Norton Healthcare Mobile Prevention Unit
 - More than \$225,000 has been raised for breast health since 2019



Social - Diversity, Equity and Inclusion

Corporate Approach – Committed to building a diverse and inclusive environment

- CDI has hired a VP of Culture (Diversity, Equity, and Inclusion)
- CDI has established an internal Diversity Advisory Committee

Diversity throughout the Company

- 2 of 8 independent directors are a woman or diverse
- 1 of 4 NEOs is a woman
- 39% of senior leadership team (Director level and above) are women and / or diverse¹
- 50% of wholly-owned gaming property leaders are women and / or diverse¹

Support for Diversity in our Communities

- Champions Day during Derby Week celebrated Black Horsemen in Thoroughbred racing and featured partner organizations whose mission supports equitable opportunities in racing
- The Kentucky Derby Festival, with support from CDI and Humana, launched the Derby Equity and Community Initiative, which vows to create Derby traditions that invite diverse participation through economically impactful programs with a focus on educational elements and multi-generational programming



¹ As of December 31, 2021





Appendix

Management Team



Bill Carstanjen
Chief Executive Officer

- Chief Executive Officer since Aug. 2014; Director since 2015
- President and COO, Mar. 2011 – Aug. 2014; COO, Jan. 2009 – Mar. 2011
- EVP, General Counsel & Chief Development Officer, July 2005 – Dec. 2008
- Former Executive of GE
- Began career as attorney with Cravath, Swaine, & Moore LLP in NYC
- Columbia Law School



Bill Mudd
President and Chief Operating Officer

- Chief Operating Officer since Oct. 2015
- President and Chief Financial Officer, Aug. 2014 – Oct. 2015
- Chief Financial Officer from Oct. 2007 to Aug. 2014
- 15-year multi-industry, multi-business background with GE
- Former Captain in the U.S. Army Reserves
- B.A. in Mathematics from Bellarmine University; MBA



Marcia Dall
Executive Vice President and Chief Financial Officer

- Chief Financial Officer since Oct. 2015
- Public company Chief Financial Officer for Erie Insurance Group / Erie Indemnity (Nasdaq: ERIE), Mar. 2009 to Oct. 2015
- 20+ year tenure with GE / GE Capital in finance / operational / executive roles
- B.S. in Accounting – Indiana University; MBA – Kellogg School of Management at Northwestern University; CPA

Board of Directors



Alex Rankin
Chairman of the Board

- Independent Chairman since 2018
- Director since 2008
- Chairman of the Board of Sterling G. Thompson Company, LLC
- President of Upson Downs Farm, Inc.
- Chairman of James Graham Brown Foundation



Bill Carstanjen

- CEO since 2014; Director since 2015
- CDI President and COO, 2011 – 2014; COO, 2009 - 2011
- CDI EVP, General Counsel & Chief Development Officer, 2005 - 2008
- Former Executive of GE
- Began career as attorney with Cravath, Swaine, & Moore LLP in NYC



Ulysses Bridgeman, Jr.

- Director since 2012
- Owner and CEO of Heartland Coca-Cola Bottling Company
- Previously owner & CEO of various companies operating over 450 restaurants in 20 states
- From 1975 – 1987 played professional basketball for the Milwaukee Bucks and Los Angeles Clippers



Robert Fealy

- Director since 2000
- Chair of Nominating and Governance Committee
- Managing Director of Limerick Investments, LLC
- Previously President, COO, and Director of The Duchossois Group

Board of Directors (continued)



Doug Grissom

- Director since 2017
- Managing Director of Madison Dearborn Partners' Business & Government Software and Services team
- Previously with Bain Capital, McKinsey & Company and Goldman Sachs



Daniel Harrington

- Director since 1998
- Chair of Compensation Committee
- President and CEO of HTV Industries, Inc.
- Extensive financial, accounting, and Chief Executive experience



Karole Lloyd

- Director since 2018
- Chair of Audit Committee and serves on the Nominating & Governance Committee
- Former Vice Chair and Southeast Regional Managing Partner for Ernst & Young LLP
- Serves on the Board of Directors of Aflac Inc.
- Handled mergers, IPOs, acquisitions, and divestures for EY



Paul Varga

- Director since 2020
- Former Chairman and CEO of Brown-Forman Corporation
- Serves on the Board of Directors of Macy's Inc.
- Considerable experience and expertise in corporate finance, building brand awareness, product development, marketing, and sales

Definition of Non-GAAP Financial Measures

Churchill Downs Incorporated (the “Company”, “we”, “our”) uses non-GAAP measures as a key performance measure of the results of operations for purposes of evaluating performance internally. These measures facilitate comparison of operating performance between periods and help investors to better understand the operating results of the Company by excluding certain items that may not be indicative of the Company's core business or operating results. The Company believes the use of these measures enables management and investors to evaluate and compare, from period to period, the Company's operating performance in a meaningful and consistent manner. The non-GAAP measures are a supplemental measure of our performance that is not required by, or presented in accordance with, GAAP, and should not be considered as an alternative to, or more meaningful than, net income or diluted EPS (as determined in accordance with GAAP) as a measure of our operating results. We use Adjusted EBITDA to evaluate segment performance, develop strategy and allocate resources. We utilize the Adjusted EBITDA metric to provide a more accurate measure of our core operating results and enable management and investors to evaluate and compare from period to period our operating performance in a meaningful and consistent manner. Adjusted EBITDA should not be considered as an alternative to operating income as an indicator of performance, as an alternative to cash flows from operating activities as a measure of liquidity, or as an alternative to any other measure provided in accordance with GAAP. Our calculation of Adjusted EBITDA may be different from the calculation used by other companies and, therefore, comparability may be limited.

**Adjusted EBITDA is defined as earnings before interest, taxes, depreciation and amortization, adjusted for the following:
Adjusted EBITDA includes our portion of the EBITDA from our equity investments.**

Adjusted EBITDA excludes:

- Transaction expense, net which includes:
 - Acquisition, disposition, and land sale related charges; and
 - Other transaction expense, including legal, accounting, and other deal-related expense;
- Stock-based compensation expense;
- Rivers Des Plaines' impact on our investments in unconsolidated affiliates from:
 - The impact of changes in fair value of interest rate swaps; and
 - Legal reserves and transaction costs;
- Asset impairments;
- Legal reserves;
- Pre-opening expense; and
- Other charges, recoveries and expenses

Reconciliation from GAAP to Non-GAAP Financial Measures

Reconciliation of Comprehensive Income to Adjusted EBITDA

(in millions)	Years Ended December 31,		
	2021	2020	2019
Net income (loss) attributable to CDI	249.1	(81.9)	137.5
Net loss attributable to noncontrolling interest		0.2	0.3
Net Income (loss) before noncontrolling interest	249.1	(82.1)	137.2
Loss from discontinued operations, net of tax	-	95.4	2.4
Income (loss) from continuing operations, net of tax	249.1	13.3	139.6
Additions:			
Depreciation and amortization	103.2	92.9	96.4
Interest expense	84.7	80.0	70.9
Income tax provision (benefit)	94.5	(5.3)	56.8
EBITDA	<u>\$ 531.5</u>	<u>\$ 180.9</u>	<u>\$ 363.7</u>
Adjustments to EBITDA:			
Selling, general and administrative:			
Stock-based compensation expense	\$ 27.8	\$ 23.7	\$ 23.8
Legal reserves	-	-	3.6
Other, net	0.2	0.8	0.4
Pre-opening expense	5.8	11.2	5.1
Impairment of intangible assets	15.3	17.5	-
Transaction expense, net	7.9	1.0	5.3
Other income, expense:			
Interest, depreciation and amortization expense related to equity investments	41.5	38.5	32.6
Changes in fair value of Rivers Des Plaines' interest rate swaps	(12.9)	12.9	12.4
Rivers Des Plaines' legal reserves and transactions costs	9.9	-	4.7
Other charges and recoveries, net	-	-	(0.2)
Total adjustments to EBITDA	<u>95.5</u>	<u>105.6</u>	<u>87.7</u>
Adjusted EBITDA	<u>\$ 627.0</u>	<u>\$ 286.5</u>	<u>\$ 451.4</u>
Adjusted EBITDA by segment:			
Live and Historical Racing	\$ 175.0	\$ 39.1	\$ 135.6
TwinSpires	78.0	112.9	69.3
Gaming	411.9	173.1	277.9
Total segment Adjusted EBITDA	<u>664.9</u>	<u>325.1</u>	<u>482.8</u>
All Other	(37.9)	(38.6)	(31.4)
Total Adjusted EBITDA	<u>\$ 627.0</u>	<u>\$ 286.5</u>	<u>\$ 451.4</u>